PROJECT **FRAME**

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Organization Overview Impact Theory of Change and Characteristics of Overall Practice	**Investment-Related Decision-Making** What, When, and Why Impact Goals Drive Decisions at All Stages	**Impact Assessment: Pre-investment** What, When, & How Impact Assessment is Conducted To Make Investments	**Impact Assessment: Post-Investment/Exit** What, When, & How Impact is Managed After Investments are Made	**Next Steps** Lessons Learned, Realized Impact and/or Plans to Improve Processes

OIL AND GAS CLIMATE INITIATIVE
CLIMATE INVESTMENTS

Assessment Dashboard

OGCI OIL AND GAS CLIMATE INITIATIVE CLIMATE INVESTMENTS

Impact Strategy

- **Investment type/ asset class**: Venture / Project
- **Stage**: VC: Series A-C/D; Project: Pre-FID
- **Geography:** Global but with N.Am/ EU bias
- **Sector:** Cleantech
- **Organization type:** For-profit
- **Relationship with the companies/ technologies being assessed:** Conduct assessments as part of diligence process for investments.
- **Impact assessment capacity**: 1 FT/2 PT dedicated to impact assessment
- **Assets under management/tied to impact assessment**: All
- **Strategies to steer towards impact after investment:** CI has a commercialisation and deployments team who works with our LP base and the wider industry to deploy the technology of our portfolio into their operations to help lower their emissions

Frameworks/Methodology

- **Does an existing methodology align with yours? If so, which one(s)** Basic framework adjusted from GHG Protocol's Project Accounting Framework.
- **Time horizon of assessment**: 2030 and 2050
- **Fractionalize shares of impact among interdependent climate technologies:** on a case by case basis
- **Fractionalize your share of impact as an investor among many investors:** No
- **Metrics tracked:** Annual realized, planned and potential impact
- **How realized impact is/will be tracked:** Work with portfolio companies to have consistent and standardized reporting every 6 months. Use of external consultants to "verify" our impact report
- **Other assessment or Investment- decision making characteristics you're proud of:** Very strong focus on Impact throughout the investment process and comprehensive refreshing of impact assessments on at least an annual basis based on data we receive from the portfolio
- **Resources:** OGCI CI Impact Report 2021

Theory of Change, Mission & Programs

- **Route to emissions reduction:** Climate investments focuses on those sectors we believe have attracted less attention and capital and where we think our support as an investor can catalyze, accelerate and unlock impact. The sectors of focus for Climate Investments are energy production and distribution, industry, commercial buildings and commercial transportation.
- **Barriers**: The sectors we focus on have traditionally been underserved by venture capital and many promising solutions have found it difficult to traverse the technology valley of death. For example, a recent review of VC investment by PWC showed that 61% of VC cleantech capital had gone into passenger mobility which represents only 16% of global GHG emissions. We look to focus on "under-served" areas of climate innovation.
- **Strategy:** We have three strategies that we invest in across our focus areas:

- Reduce methane emissions
- Reduce carbon dioxide emissions
- Recycle and store carbon dioxide (CCUS)

Investment Vehicles

Catalyst Fund I

OGCI Climate Investments was formed by the Oil & Gas Climate Initiative. OGCI is led by the CEOs of 11 major oil and gas companies, which operate more than 30% of the world's oil and gas production. OGCI CI made its first investment in 2017 through its $1B+ Catalyst Fund I.

Catalyst Fund I made its first investment in 2017 and now has a portfolio of 29 investments as of July 8th 2022.

China Climate Investments

OGCI CI launched its second fund, China Climate Investments in April 2022 alongside OGCI member company China National Petroleum Corporation (CNPC). This fund focuses on the same sectors as Catalyst Fund I but is exclusively focused on investing in China and other parts of Asia. CCI has not yet made any investments.

Deep Dive: Focus Areas

OGCI CLIMATE INVESTMENTS

Our strategy focuses on those sectors we believe have attracted less attention and capital and where we think our support as an investor can catalyze, accelerate and unlock GHG impact.

Sectors of Focus

Energy Production & Distribution	Industry	Commercial Buildings	Commercial Transportation
For example, methane emissions in oil and gas production	For example, cement and steel emissions	For example HVAC emissions	For example, trucking or marine shipping emissions

The GHG emissions across these focus areas amount to approximately 30 billion tonnes of carbon dioxide equivalent annually[1]. We believe there are many opportunities within these sectors for technologies and solutions to deliver well over 1 million tonnes of GHG impact per year by 2030.

1 - 2022 IPCC Sixth Assessment Report

Organizational/Relationship Structures

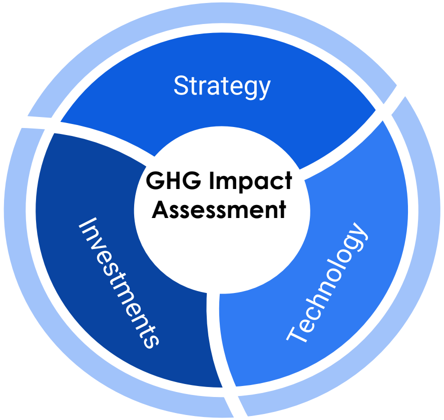
The quantification of GHG impact is driven by the strategy team within Climate Investments but is carried out alongside the technology and investment teams. For each investment that we make, a deal team is formed with members from the investment, technology, and strategy teams all represented. Each team is responsible for leading a different part of the diligence that is used within the GHG impact assessment.

The strategy team is responsible for: Impact quantification approach, modelling and tracking post-investment

The technology team is responsible for: IP and technology diligence which helps with quantifying the unit impact

The investment team is responsible for: Commercial aspects of the diligence which supplies the commercial forecast for the company allowing the quantification of planned impact

Post-Investment the commercialization team is responsible for: Working with portfolio companies to drive up realized impact through deploying their technologies into our member base



Investment Strategy

OGCI Climate Investments has a mandate to deliver GHG impact at industrial scale so the quantification of GHG impact is at the heart of what we do. We are focused on reducing GHG emissions in the near term (2030), so we look for companies and projects that can deliver meaningful GHG impact of at least 1 million tonnes of carbon dioxide equivalent per year by 2030.

Pre-Investment

We look to ensure that the company or project we invest in can significantly contribute to GHG reductions once it has reached commercial scale. We always carry out a pre-investment forward looking GHG impact assessment.
This ensures that our investment dollars are going towards the most impactful solutions.

Post-Investment

Once the company is in our portfolio we work with the company to track realised GHG impact. We also refresh our forward looking GHG impact assessment at least annually for each portfolio company.

At Exit

The aim post-exit is that the company would now be releasing their own impact report to disclose their realised GHG impact to the public.

Pre-Investment Assessment

Step 1 – Define the theory of change, or "impact hypothesis", articulating how the innovation could lead to GHG emissions reductions. The theory of change provides the underlying foundation for all assessment.

Step 2 – Define the basic unit of impact
What is the individual unit of the innovation which is compared with the status quo, or incumbent unit (sometimes called baseline) which it replaces.

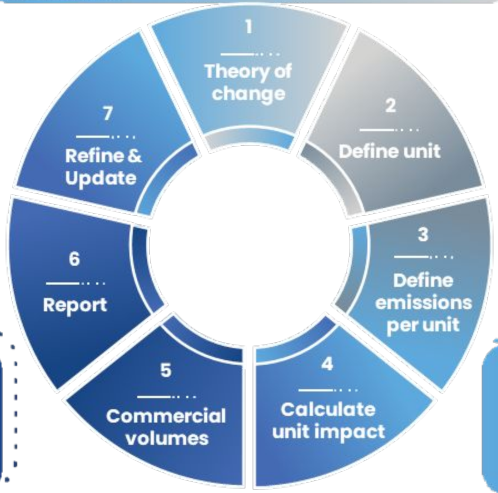
Step 3 – Define emissions per unit
What are the emissions of both the baseline unit and the solution unit? Where available, draw on standard technical data around emissions of both baseline unit and new technology/solution.

Step 4 – Calculate unit impact
How much GHG emissions are reduced per unit of product or solution when compared to the baseline unit? In this step life cycle, emissions are also taken into account if they are significant.

Step 5 – Commercial volumes:
For realized impact: how many units has the company sold? This multiplied by unit impact results in the realized impact.
For planned impact: we use the sales forecasts to estimate the impact of the company over time.

Step 6 – Report realized impact
As the company or investment progresses, the planned impact is realised. Each investee company can report its realized impact in an annual impact report, which provides all the information necessary for readers to easily understand and evaluate the approach.

Step 7 – Refine and Update
How do the assumptions that go into the calculation change over time as more data becomes available? An annual reporting and reforecasting process is recommended.



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OGCI CI's methodology is aligned with Project Frame's proposed planned impact methodology which can be found here.

Post-Investment Assessment

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	Monitor results	Manage against results	Evolve processes
Questions	• What has the company been able to achieve in the reporting year? • How was the realized impact different from our planned impact estimate?	How can CI's board member & commercialization team drive the company towards realizing impact?	• How has the technology changed, are there any assumptions we can replace with data? • What is changing in the market? How does this influence baselines? • What can we do to improve our models?
Actions	• Work with the company to verify their results • Adjust assumptions to account for any changes that may have occurred over the reporting period	We do a great deal of work with our portfolio companies to help to deploy their technologies into our member base	We are working to include impact KPI's beyond GHG impact such as water usage, social inclusion & governance
Reporting	• Interna & LPI: Realized & planned impact • Public: Rolled up portfolio realised impact	• Report on how we intend to improve • Bring in third party audit/assurance	Our work with Project Frame and other third parties will further improve our own process and bolster our transparency going forward

Planned Updates

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By end of 2022, OGCI CI plans to add detail or provide updates on:

- How we intend to address the question of attribution
- How we are thinking about assessment post-exit
- A specific case study of assessment in action in the methane space
- How we are approaching ESG metrics beyond the 'E'
- Takeaways and actions based on previous third party assurances
- Continue to refine our categorization of the types of impact we have identified